



PUBLIC DISCLOSURE COMMISSION

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8:45 a.m.
June 28, 2001

MINUTES – SPECIAL MEETING

Evergreen Plaza Bldg. Room 206
711 Capitol Way South
Olympia, Washington

COMMISSION MEMBERS PRESENT

Ronda Cahill, Chair
Christine Yorozu, Vice Chair
Gerry Marsh, Secretary
Susan Brady, Member
Lois Clement, Member

STAFF PRESENT

Vicki Rippie, Executive Director
Susan Harris, Assistant Director
Michael Smith, Chief Technology Officer
Nancy Krier, Asst. Attorney General
Neil Gorrell, Asst. Attorney General
Ruthann Bryant, Secretary

The special meeting of the Public Disclosure Commission was called to order by Commission Chair Ronda Cahill at 9:30 a.m. in the Evergreen Plaza Building, Room 206, Olympia, Washington.

Minutes

Moved by Commissioner Clement, seconded by Commissioner Marsh:

Motion 01-198

The Commission adopts the minutes of the regular meeting of May 22, 2001 as written.

The motion passed unanimously.

Citizen Comments/Concerns

Chris Leman, a complainant in the City of Seattle case #00-875, commented that he supports the potential settlement the staff and the City of Seattle will be presenting to the Commission. Mr. Leman commended the professionalism and

determination of the PDC staff and the Assistant Attorney General's staff.

Skip Knox, a complainant in the Seattle Department of Parks and Recreation case #00-876, commented that he also supports the settlement of the case and noted that he appreciates the work of the Public Disclosure Commission.

Election of Officers
Motion 01-199

Moved by Commissioner Cahill, seconded by Commissioner Brady:

The Commission elects Christine Yorozu as Chair, Gerry Marsh as Vice Chair, and Lois Clement as Secretary of the Public Disclosure Commission, effective July 1, 2001.

The motion passed unanimously.

Commissioner Comments

Commissioner Cahill thanked Kurt Young and Bruce Wendler for conducting training in Spokane on PDC reporting and the WEDS electronic filing system.

Enforcement Matters

Hearings

*King County, King County Dept.
of Transportation, Case #00-873*

Assistant Attorney General Neil Gorrell noted that the initial complaint also referred to individual office holders, and staff is requesting those charges be dismissed.

Mr. Gorrell read the Stipulation of Facts, Violation and Penalty into the record. He then summarized the case against King County and King County Department of Transportation for violating of RCW 42.17.190 by using public funds to indirectly lobby the Washington State Legislature by organizing a public rally in Olympia to support transit legislation.

David Regnier, attorney representing King County, was present and addressed the Commission commenting that the county will be seeking further clarification of the public agency lobbying statute.

Motion 01-200

Moved by Commissioner Clement, seconded by Commissioner Marsh:

The Commission accepts the Stipulation of Facts, Violation and Penalty of \$1,000 in PDC case #00-873, King County and King County Department of Transportation.

Voting For: Commissioners Cahill, Marsh, Clement and Yorozu.

Voting Against: Commissioner Brady.

The motion passed.

Motion 01-201

Moved by Commissioner Clement, seconded by Commissioner Yorozu:

The Commission dismisses the charges against Ron Sims, Doug Sutherland and Robert Drewel in PDC case #00-873.

The motion passed unanimously.

*City of Seattle, Seattle Dept.
of Parks and Recreation,
case #00-875 and #00-876*

Mr. Gorrell read the Stipulation of Facts, Violations and Penalty into the record. He summarized the case against the City of Seattle and Seattle Department of Parks and Recreation for violations of RCW 42.17.190 by using public funds to indirectly lobby the Washington State Legislature. The Respondents engaged in campaigns that encouraged the public to contact legislators and urged support of parks legislation. Mr. Gorrell noted that there is a Statement of Facts that will not be read into the record but has been incorporated by reference.

Commissioner Cahill requested an amendment to the stipulation to reflect that the suspended portion of the penalty is based upon no future violations of RCW 42.17 rather than violations of RCW 42.17.190.

Laura Wishik, attorney for the City of Seattle, was present and commented that she would be willing to accept the amendment on behalf of her client.

Commissioner Marsh requested further clarification on the requirements for the training as outlined in the stipulation.

Commissioner Yorozu questioned the definition of "middle and upper management." She requested that the City of Seattle provide a list of training participants as well as content of the training and notification of when the training is complete.

Laura Wishik reported that the middle and upper management would include all directors of departments and their deputies. She noted that the city does not have a list compiled currently, but would provide the names to PDC staff when completed.

Commissioner Brady commented that the actions of the City of Seattle that prompted this enforcement action are unacceptable given that Seattle surely has sufficient resources to be in full compliance with the law.

Motion 01-202

Moved by Commissioner Marsh, seconded by Commissioner Clement:

The Commission accepts the Stipulation of Facts, Violations and Penalty of \$7,500 with \$5,000 suspended based upon the conditions in the stipulation. In addition, the respondent agrees to pay \$2,500 for approximately one-half of the administrative expenses in PDC case #00-875 and #00-876, City of Seattle and Seattle Department of Parks and Recreation.

Voting For: Commissioners Cahill, Marsh,
Clement and Yorozu.

Voting Against: Commissioner Brady.

The motion passed.

Requests for Review

*Thomas Bresnahan,
Case #01-047 and
Kandi Dehart, case
#01-055*

Phil Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Mr. Bresnahan and Ms. Dehart were found in violation of RCW 42.17.240 for failure to file Statements of Financial Affairs. Mr. Bresnahan was assessed a penalty of \$200 and Ms. Dehart was assessed a penalty of \$300.

Mr. Stutzman reported that both individuals have resigned their positions and left the area. Staff is requesting that the Commission vacate the orders.

Motion 01-203

Moved by Commissioner Yorozu, seconded by
Commissioner Brady:

**The Commission vacates the order in PDC
case #01-047, Thomas Bresnahan, and PDC
case #01-055, Kandi Dehart.**

The motion passed unanimously.

John Potter, case #00-708

Phil Stutzman reported that a brief enforcement hearing was held December 9, 1999 in which Mr. Potter was found in violation of RCW 42.17.240 for failure to file a Statement of Financial Affairs and RCW 42.17.050 for failure to file a Candidate Registration. Mr. Potter was assessed a penalty of \$500 with \$450 suspended based on the conditions in the January 14, 2000 order.

Motion 01-204

Moved by Commissioner Cahill, seconded by
Commissioner Yorozu:

The Commission upholds the penalty of \$500 in PDC case #00-708 and forwards the case to the Attorney General's Office for collection of penalty.

The motion passed unanimously.

Robert Overstreet, case #01-096

Mr. Stutzman reported that a brief enforcement hearing was held October 23, 2000 in which Mr. Overstreet was found in violation of RCW 42.17.240 for failure to file a Statement of Financial Affairs. Mr. Overstreet was assessed a penalty of \$200. The form was filed December 11, 2000.

Mr. Overstreet was present and addressed the Commission, commenting that he is willing to pay the fine and file any reports still outstanding.

There was no motion to review this matter.

Request for Reconsideration

John Eremic, case #00-414

Mr. Stutzman reported that a brief enforcement hearing was held December 9, 1999 in which Mr. Eremic was found in violation of RCW 42.17.240 for failure to file a Statement of Financial Affairs and RCW 42.17.050 for failure to file a Candidate Registration. Mr. Eremic was assessed a penalty of \$500 with \$450 suspended based on the conditions in the January 14, 2000 order.

Mr. Eremic sent a letter explaining that he was a write-in candidate in 1999 and did not know he was required to file the forms since he did not run a formal campaign.

Mr. Stutzman also reported that Mr. Eremic was sent a letter on January 31, 2000, from Susan Harris. In the letter, Ms. Harris addressed the questions posed by Mr. Eremic regarding write-in candidates and also discussed the penalty against Mr. Eremic.

There was no motion to reconsider this matter.

Reporting Modification Requests

Renewal (with change)

*J. Michael Ogan, Fire Commissioner
Chelan Fire District #1*

Mr. Stutzman reported that Mr. Ogan requests an exemption from reporting the business customers of Wenatchee Petroleum Company and Wenatchee BFS, Inc.

Motion 01-205

Moved by Commissioner Marsh, seconded by Commissioner Brady:

The Commission grants the reporting modification to J. Michael Ogan, as requested.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Renewals (no change)
*Mark G. Olson, candidate
Everett City Council*

Mr. Stutzman reported that Mr. Olson is requesting and exemption from reporting business customers of his law firm.

Motion 01-206

Moved by Commissioner Clement, seconded by Commissioner Brady:

The Commission grants a reporting modification to allow Mark G. Olson to satisfy the reporting requirements of RCW 42.17.241(1)(g)(ii) by identifying for the appropriate reporting period:

- (a) The names of the reportable business clients for whom he has done legal work;**
- (b) Other reportable business clients of the law firm whose interests are significantly affected by the actions of Everett City Council, whose identities become known to the applicant by any means;**
- (c) The names of the reportable business clients of the law firm listed in Martindale Hubbell, the firm's publicity brochures, the firm's resume, or whose identities are otherwise publicized; and**
- (d) All governmental clients that have done business with the law firm.**

In addition, the applicant must recuse himself from participating as a board member in any matter affecting the interests of the law firm or its clients.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

*Betsy Cowles, Regent
Washington State Univ.*

Mr. Stutzman reported that Ms. Cowles requests an exemption from reporting stocks and bonds that are held in trust, an exemption from reporting business customers and real property holdings of numerous non-profit organizations for which she and her husband serve on the board of directors, and an exemption from reporting business customers and real property holdings of Cowles Publishing Company, of which she is an officer.

Motion 01-207

Moved by Commissioner Marsh, seconded by Commissioner Yorozu:

The Commission grants the reporting modification request by Betsy Cowles.

The Commission finds that literal application would cause a manifestly unreasonable hardship on the applicant and that a limited modification would not frustrate the purposes of the act.

The motion passed unanimously.

Mr. Stutzman noted that the language in the order regarding real property holdings in the state of Washington, other than raw timberland, would be changed to reflect the newly adopted language in WAC 390-24-200 for reporting real property holdings. The new language requires that real property holdings, other than raw timberland, be reported by the street address of each parcel, the assessor's parcel number, the abbreviated legal description appearing on tax statements, or the complete legal description, and the county in which the property is located.

Rule-Making

Doug Ellis reported on staff's proposal to repeal two rules and amend two others. He noted that due to the lead time requirements of the rule-making process and the June 30 statutory deadline for the effective date of PDC rules, staff is requesting that the proposed changes take effect immediately upon filing with the Code Reviser on June 29, 2001. If approved, the emergency rules will be in effect for 120 days.

WAC 390-16-115

Abbreviated Campaign Reporting – Conditions for granting use. This rule changes the title and incorporates parts of WAC 390-16-120 concerning the times and place for filing reports. This amendment would implement the conditions under which the Mini reporting (rather than Abbreviated) may be used.

WAC 390-16-120

Abbreviated Campaign Reporting – Times and place for filing reports C-1, C-1pc and C-4abb.
This rule is no longer necessary. The proposed amendments to WAC 390-16-115 incorporate this language into one consolidated rule.

WAC 390-16-125

Abbreviated Campaign Reporting – Exceeding limitations. This rule changes the title from Abbreviated to Mini. This rule amendment would clarify the process by which a filer changes from Mini reporting (rather than Abbreviated) to full reporting.

WAC 390-16-155

Mini Campaign Reporting – Exceeding limitations.
Repeal this rule. Amendments to WAC 390-16-105 and WAC 390-16-150 render this rule obsolete.

Motion 01-208

Moved by Commissioner Cahill, seconded by Commissioner Clement:

The Commission amends WAC 390-16-115 Abbreviated Campaign Reporting – Conditions for granting use and WAC 390-16-125 Abbreviated Campaign Reporting – Exceeding limitations, and repeals WAC 390-16-120 Abbreviated Campaign Reporting – Times and place for filing reports C-1, C-1pc and C-4abb, and WAC 390-16-155 Mini Campaign Reporting – Exceeding limitations, on an emergency basis.

The motion passed unanimously.

Staff Reports

Executive Director

Vicki Rippie thanked Commissioner Cahill for her support over the past year. Ms. Rippie reported that she plans to implement an employee alternative work schedule on a trial basis, beginning in mid July. She also summarized the status of FY2001 budget and noted that half of any

remaining funds will be placed in a savings account for future one-time expenditures.

Assistant Director

Susan Harris summarized the agency's Performance Report to the Governor for 2001, noting that during the height of the 2000 campaign season, electronically filed reports were available on the Web within 1 day and those filed on paper were accessible within 1 to 3 days. With additional equipment upgrades, PDC staff is now able to have the morning mail available on the web site the same day.

Ms. Harris also reported that staff is entering detailed contribution information into the database for selected 2001 races. That information is available on the web site and is searchable using the query system.

Commissioner Yorozu suggested providing a link to the Seattle Ethics and Elections Commission for information on City of Seattle election campaigns.

Ms. Harris commented that there are currently two large outstanding debts as a result of requests for paper copies: the Madison Group - \$712 and FDR Services - \$319. She noted that no further requests from these firms will be filled until the debt is paid and staff is considering turning the debts over to a collection agency.

Chief Technology Officer

Michael Smith reported on the progress of compiling data for the 2000 Election Financing Fact Book and the continued progress on the lobbyist and lobbyist employer Internet-based filing applications.

Assistant Attorney General

Nancy Krier summarized the status of pending litigation and noted that Judge Tabor has not issued his decision in the WEA case.

Advisory Matter

Nancy Krier summarized a draft request for a formal Attorney General Opinion regarding the applicability of reporting requirements in chapter 42.17 RCW to conservation district supervisors.

Ms. Krier noted that Senator Morton provided a letter requesting a few changes to the draft request.

The Commission accepted the changes suggested by Senator Morton and approved the draft request for a formal Attorney General Opinion.

Executive Session

The Commission went into executive session at 11:40 a.m. to conduct employee performance reviews.

Public Session

The Commission returned to public session at 12:40 p.m.

Commissioner Cahill commended Susan Harris and Michael Smith on behalf of the Commission for their hard work and progresses over the last year.

Motion 01-209

Moved by Commissioner Clement, seconded by Commissioner Yorozu:

The Commission supports the proposed staff increases as follows:

	Merit	COLA
Effective Date:	6/30/01	7/1/01
Susan Harris	\$67,634	\$70,136
Michael Smith	\$71,308	\$73,946
Doug Ellis	\$54,974	\$57,008
Ruthann Bryant	\$35,690	\$37,011
Phil Stutzman	\$53,665	\$55,651
Vicki Rippie*		\$82,531
Karen Copeland*		\$61,956

(*Currently at the top of respective pay scale.)

The motion passed unanimously.

Adjournment

Commissioner Cahill adjourned the meeting at 12:45 p.m. The next meeting is scheduled for Tuesday, July 24, 2001.

Approved by the Commission 7/24/01